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Highest price, \$12.5 million, paid for city residence

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Philadelphia's most expensive private residence is now owned by money manager Theodore R. Aronson and Barbara Berger Aronson.

Theodore, who heads AJO Partners of Philadelphia, and his wife paid \$12,459,000 for the new and expansive 8,444-square-foot, 31st-floor penthouse of 1706 Rittenhouse Square Street. The deed was recorded April 2.

The previous high price for a city condo unit, \$7,678,149, was paid by media mogul H. Chase Lenfest for his 5,850-square-foot, 46th-floor condo at the Residences at Two Liberty Place on March 5, 2009.

Lenfest's neighbor, unsuccessful mayoral candidate Thomas J. Knox, bought the other half of that 46th floor on July 6 for \$7,521,475.

The Aronsons' purchase price is the highest ever paid for a home in Philadelphia. Eighteen months ago, chef Georges Perrier paid \$2.5 million for a house in Chestnut Hill.

1706 Rittenhouse Square Street is scheduled to have its grand opening May 6. More than half of the units, which start at \$3.9 million, are spoken for.

Prices of some of those units could exceed what Lenfest and Knox paid for their Two Liberty units last year when they begin closing in the next 30 days.

To keep news of their deal private, the Aronsons, who live in Gladwyne, signed a nondisclosure agreement with developer Thomas Scannapieco. Scannapieco partnered with

Joseph and Robert Zuritsky of Parkway Corp. to build the \$145 million building on a parking lot the Zuritskys owned.

Scannapieco continues to adhere to that agreement, even with the sale now a matter of public record.

Accompanying the recorded deed was another document indicating that Scannapieco lent the Aronsons \$4 million that is scheduled to be repaid May 15.

Scannapieco declined to comment on the reasons for the loan, but those familiar with the deal said it was made because the penthouse wasn't finished on schedule - a sort of performance bond. They said that \$2 million of the loan had been repaid to Scannapieco thus far.

Theodore Aronson also declined to comment Monday. His AJO Partners manages about \$20 billion in institutional and tax-exempt retirement funds.

The Aronsons are active socially. Barbara Aronson is on the board of the Philadelphia Museum of Art and is a trustee of the University of Pennsylvania, her alma mater.

The couple hired a New York design firm for the penthouse.

The Aronsons fit the profile of 1706 buyers. Most now live outside the city. Most have a net worth of at least \$10 million. All, according to Scannapieco, say they wouldn't have bought without a Rittenhouse Square location, parking, and the privacy that single-floor living affords.

Most are prominent donors to and board members of cultural organizations. Many have charitable foundations.

Center City high-rise condos, especially around Rittenhouse and Washington Squares, are commanding the highest sale prices, even in a real estate downturn where most residential construction involved completing buildings rather than starting them.

At the Ayer on Washington Square, for example, in 2008, Chase and Jennifer Utley paid \$4.19 million for a bi-level, while promoter Larry Magid and his wife, Barbara, spent \$4.74 million for theirs.

Through the real estate boom, and then through the bust, the developers of 1706 Rittenhouse pushed the metaphoric rock up the hill to completion.

The project, designed by Cope, Linder, was delayed two years when neighbors objected to a 31-story view-blocker and feared the work would undermine adjacent structures.

The siting of the building was shifted from the street line to the middle of the lot, and the foundations of neighboring buildings were reinforced to secure the four zoning variances needed to begin construction.

Work on 1706 Rittenhouse started in December 2007, just as the recession was being officially declared.


Does it come with parking?

There is automated underground parking, 45 feet below the street, for 64 cars.

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